

## Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 EB-08 AID-05 CIAE-00 COME-00  
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06  
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AMEMBASSY THE HAGUE  
USMISSION EC BRUSSELS  
USMISSION GENEVA

UNCLAS BRUSSELS 01560

DEPT PASS AGRICULTURE ELECTRONICALLY

E.O. 11652:N/A  
TAGS:EAGR,BE  
SUBJECT: BELGIAN VIEWS ON RECENT EC AGRICULTURAL MINISTERS'MEETING

1. BEGIN SUMMARY.  
THE BELGIAN MINISTER OF AGRICULTURE SHARPLY ATTACKED  
THE EC COMMISSION'S 1977-78 PRICE PROPOSALS AND DEFENDED THE  
NEED TO MAINTAIN A STRONG CAP.END SUMMARY.

2.DURING A SPEECH DELIVERED TO THE BOERENBOND (BELGIUM'S LARGEST AND MOST INFLUENTIAL AGRICULTURAL COOPERATIVE)ON FEBRUARY 15,MINISTER OF AGRICULTURE,LAVENS,BRIEFLY DISCUSSED THE RECENT  
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MEETING OF THE EC COUNCIL OF AGRICULTURAL  
MINISTERSLAVENS INDICATED THAT COMPARED TO PREVIOUS SIMILAR  
NEGOTIATIONS,THIS YEAR'S DISCUSSIONS ON 1977-78 FARM PRICES  
WOULD BE MUCH MORE DIFFICULT,LARGELY DUE TO THE DIFFERENCES  
WHICH EXIST IN THE ECONOMIES OF EC MEMBERCOUNTRIES.IN  
ADDITION,THE NEEDS AND DESIRES OF THE LDC'S,AS  
WELL AS GATT CONSIDERATIONS WOULD FURTHER COMPLICATE THESE

DISCUSSIONS.LAVENS SAID THE NEXT COUNCIL MEETING SCHEDULED FOR MARCH 14-15 WOULD BE DEVOTED LARGELY TO A DISCUSSION OF TECHNICAL POINTS,AND THAT SUBSEQUENT MEETINGS ON MARCH 25-27 WOULD BE NEEDED BEFORE FINAL AGREEMENT COULD BE REACHED. HE ALSO SAID THE COUNCIL WOULD NOT TAKE FINAL ACTION ON THE 1977-78 PRICE UNTIL IT HAD RECEIVED THE ADVICE OF THE EUROPEAN PARLIAMENT ON THIS MATTER.

3.LAVENS WAS VERY CRITICAL OF THE COMMISSION'S CURRENT PROPOSALS AND INDICATED THEY COULD ONLY BE CONSIDERED AS A BASIS FROM WHICH TO START DISCUSSIONS.HOWEVER,IN A SUBSEQUENT TELEVISION INTERVIEW,HE CONCEDED THE OVERALL 7.4 PERCENT INCREASE DEMANDED BY COPA,AND SUPPORTED BY THE BELGIAN GOVERNMENT, WOULD PROBABLY BE NEGOTIATED DOWNWARD; HOWEVER,HE REFUSED TO SPECULATE ON THE AMOUNT OF THE FINAL INCREASE.

4.LAVENS WAS ALSO HIGHLY CRITICAL OF THE PROPOSED 3 PERCENT INCREASE IN DAIRY PRICES AND SAID SUCH A SMALL INCREASE COULD RESULT IN A NET DECREASE IN PRICES TO BELGIAN PRODUCERS. HIS RATIONALE FOCUSED ON THE POSSIBILITY OF INCLUSION OF A PRODUCER CORESPONSIBILITY TAX OF 2.5 PERCENT WHICH,WHEN COUPLED WITH MONETARY COMPENSATORY ADJUSTMENTS,WOULD EFFECTIVELY MEAN A DROP IN PRICES TO BELGIAN DAIRY PRODUCERS.IN ADDITION,HE SAID THAT THE CURRENT DAIRY PRICE PROPOSALS WOULD NOT BECOME EFFECTIVE UNTIL SEPTEMBER 1.

5.TURNING TO OTHER SUBJECTS,LAVENS DEFENDED THE NEED FOR AGRICULTURAL SURPLUSES IN THE COMMON MARKET BY INDICATING UNCLASSIFIED

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THAT SHORTAGES HAD BEEN MORE COSTLY TO THE EC THAN SURPLUSES.HE SPECIFICALLY MADE MENTION OF THE U.S.SOYBEAN EMBARGO IN 1973.. HOWEVER,LAVENS CONCEDED SURPLUSES HAD TO BE MANAGEABLE.HE SAID IN RECENT YEARS TECHNICAL PROGRESS IN THE FIELD OF AGRICULTURE HAS BEEN RESPONSIBLE FOR SOME OF THESE SURPLUSES,BUT HE DID NOT MAKE REFERENCE TO THE CAP ITSELF AS A CAUSE OF EC SURPLUSES. IN ADDITION,THE MINISTER ALSO SAID THE PROTECTIONIST ASPECTS OF THE CAP DID NOT REALLY ACT AS BARRIERS TO AGRICULTURAL EXPORTS FROM THE LDC'S SINCE NO AMOUNT OF AID FROM NOW UNTIL THE END OF THE CENTURY WOULD ENABLE THESE COUNTRIES TO FEED THEMSELVES. CONSEQUANTLY,LAVENS SAID IT WAS IMPORTANT FOR THE EC TO MAINTAIN ITS AGRICULTURAL PRODUCTION CAPABILITY FOR TIS OWN NEEDS,AS WELL AS THOSE OF THE LDC'S.

6.LAVENS ALSO EXPRESSED CONCERN THAT,IN THE FUTURE FRICTION MAY DEVELOP BETWEEN THE INTERESTS OF VARIOUS PRODUCERS, I.E. GRAIN VERSUS LIVESTOCK PRODUCERS,AND IMPLIED THAT UNITY AMONG PRODUCERS WAS VERY IMPORTANT.

7.DURING A SUBSEQUENT SPEECH AT THE SAME MEETING,THE  
PRESIDENT OF THE BOERENBOND,MR.BOON,ALSO EMPHASIZED THE NEED  
FOR SOLIDARITY AMONG VARIOUS BELGIAN FARM INTERESTS.HE ALSO MADE  
REFERENCE TO WORKER PROTESTS IN NON-AGRICULTURAL SECTORS AS A  
RESULT OF UNFAVORABLE SITUATIONS OR DECISIONS,AND SUGGESTED THAT  
IF THE CURRENT ROUND OF EC AGRICULTURAL PRICE NEGOTIATIONS ARE  
UNSATISFACTORY,FARMERS SHOULD CONSIDER SOME FORM OF PROTEST.

8.AS CONCERNS ECONOMIC RECOVERY IN BELGIUM,BOON SPECULATED IT  
WAS ALMOST ENTIRELY DEPENDENT ON RECOVERY IN THE UNITED STATES,  
GERMANY AND JAPAN,AND THAT IT WOULD BE AT LEAST 7 MONTHS  
BEFORE THE BELGIAN ECONOMY COULD EMERGE FROM ITS PRESENT PERIOD  
OF STAGNATION.

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## Message Attributes

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